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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
B-69646

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/17 AND ENDING 12/31/17  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: ClearingBid Markets, Inc.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

135 East 57th Street 8FL

(No. and Street)

New York

NY

10022

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Edwin Scanlon (212) 762-1700

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

WithumSmith+Brown, PC

(Name - if individual, state last, first, middle name)

1411 Broadway 23 Fl

New York

NY

10018

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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## OATH OR AFFIRMATION

I, Edwin Scanlon, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ClearingBid Markets, Inc., as of December 31, 20 17, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Edwin Scanlon  
Signature

CEO

Title

[Signature]  
Notary Public

CLAUDIA TAYLOR  
NOTARY PUBLIC, State of New York  
No. 01TA5068172  
Qualified in Kings County  
Commission Expires 10/28/ 2018

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**CLEARINGBID MARKETS, INC.**  
**(A Wholly-Owned Subsidiary of**  
**ClearingBid, Inc.)**

**Financial Statement**  
**As of December 31, 2017**

**ClearingBid Markets, Inc.**  
**(A Wholly-Owned Subsidiary of ClearingBid, Inc.)**  
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**ClearingBid Markets, Inc.**  
**(A Wholly-Owned Subsidiary of ClearingBid, Inc.)**  
**Statement of Financial Condition**  
**December 31, 2017**

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**ASSETS**

Cash and Cash Equivalents	\$ 61,599
Prepaid Expenses and Other Current Assets	<u>9,907</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 71,506</u></b>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**LIABILITIES**

Due to Parent	\$ 2,535
Accounts Payable and Accrued Expenses	<u>21,750</u>
<b>TOTAL LIABILITIES</b>	<b><u>24,285</u></b>

**STOCKHOLDER'S EQUITY**

Common stock, \$0.10 par value, 100 shares authorized, issued and outstanding	10
Additional Paid-In Capital	307,000
Accumulated Deficit	<u>(259,789)</u>
Total Stockholder's Equity	<u>47,221</u>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b><u>\$ 71,506</u></b>

**ClearingBid Markets, Inc.**  
**(A Wholly-Owned Subsidiary of ClearingBid, Inc.)**  
**Notes to Financial Statements**

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**1. Organization and Nature of Business**

ClearingBid Markets, Inc. (the "Company") was incorporated in the State of Delaware on March 20, 2015. The Company is wholly-owned by ClearingBid, Inc (the "Parent"). The Company's principal operation is to engage in private placement activity and is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA") effective May 16, 2016 (Commencement of Operations).

**2. Liquidity and Related Party Transactions**

As the Company has not commenced earning revenue, the Company relies on the Parent for support. The Parent has the financial wherewithal and intent to support the Company on an as needed basis.

The Company has entered into an expense sharing agreement with the Parent. Expenses such as consulting and travel are allocated to the Company. A total of approximately \$29,000 was incurred for the year ended December 31, 2017 by the Company under this agreement. The Company paid the Parent approximately \$26,500 during 2017, approximately \$2,500 is due to the Parent at December 31, 2017.

**3. Summary of Significant Accounting Policies**

**Basis of Presentation**

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations regarding financial reporting of the SEC.

As shown in the accompanying financial statements, the Company incurred a net loss of approximately \$131,000, net cash of approximately \$137,000 used in operations, and no revenues during the year ended December 31, 2017. As of December 31, 2017, the Company's available cash approximated \$62,000 and liabilities approximated \$24,000. In connection with the Company's assessment of going concern considerations in accordance with ASU 2014-15, "Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern", management has determined that the Company's support from its Parent is sufficient to fund the working capital needs of the Company until the earlier of one year from the date of issuance of these financial statements or the occurrence of sufficient future revenue transactions.

**3. Summary of Significant Accounting Policies (continued)**

**Cash and Cash Equivalents**

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The carrying amounts of such cash equivalents approximate fair value due to the short term nature of these instruments.

**Income Taxes**

The Company is a C-corporation and accounts for income taxes in accordance with ASC 740. Deferred income tax assets and liabilities are computed as the difference between the financial statement and tax bases of assets and liabilities based on presently enacted tax laws and rates. Valuation allowances are established to reduce deferred tax assets when it is deemed more likely than not that such assets will not be realized. As of December 31, 2017, the Company had a deferred tax asset, primarily related to its net operating loss, of approximately \$83,000 and has recorded a full valuation allowance. Total federal, New York State and New York City NOLs are approximately \$250,000 and start expiring in 2036 through 2038.

The determination of the Company's provision for income taxes requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in the Company's financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from tax authorities. When facts and circumstances change, the Company reassesses these probabilities and records any changes in the financial statements as appropriate. Interest and penalties, if any, related to unrecognized tax benefits are recorded in the income tax provision. GAAP provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. The guidance requires the evaluation of tax positions taken or expected to be taken to determine whether the tax positions are "more likely-than-not" of being sustained by the applicable tax authority. The Company recognizes the effect of income tax positions if those positions are more likely than not of being sustained. Based on its analysis, the Company has determined there are no uncertain tax positions at December 31, 2017. As the Company was formed during 2015, the Company's tax returns are open to tax examination by local and federal taxing authorities since inception. On December 22, 2017, the Tax Cuts and Jobs Act was enacted, reducing the federal corporate income tax rate from 34% to 21%. Accordingly, the impact of the change in the tax rate on deferred tax assets and liabilities before a valuation allowance is recognized in the period of enactment.

**3. Summary of Significant Accounting Policies *(continued)***

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**4. Regulatory Net Capital Requirement**

The Company is a member of FINRA and is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1. This Rule requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. At December 31, 2017, the Company's net capital was approximately \$37,300 which was approximately \$32,300 in excess of its minimum requirement of \$5,000.

**5. Concentration of Credit Risk**

The Company maintains all of its cash in one financial institution, which at times, may exceed federally insured limits. The Company has not experienced any loss in this account and believes it is not subject to any significant credit risk.

**6. Subsequent Events**

The Company has evaluated subsequent events through February 27, 2018, the date the financial statements were available for issuance.